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Soviet Basic Industry and Transportation:
1985 Results and Short-Term Perspectives

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Summary

Soviet basic industrial branches in 1985 continued their moderate recovery from the growth slowdown of the late 1970s and early 1980s. For most industries, output growth matched or exceeded 1984 rates despite unusually harsh winter weather that threw production and delivery schedules into disarray early in the year. Improvements over the last three years--through modernization and expansion of the capital stock, administrative changes, and better transport service--provided a strong foundation for an upturn in the latter half of 1985. Prospects for 1986 look good. The weather this year is unlikely to impede the slow, but steady progress we expect in the industries we examined (ferrous metals, nonferrous metals, chemicals, construction materials, wood products, soft goods, and processed foods). Moreover, these and other industrial sectors should continue to be free of freight transportation bottlenecks that disrupted service in the late 1970s and early 1980s.

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For the remainder of the 1980s, plans for output growth are much more realistic than comparable plans in the past. Although the goals set for basic industry and transportation are not overly ambitious, in many cases attainment will depend on accelerated investment in new or renovated plant and equipment. In the past, these industries have tended to take a back seat to the higher profile machinery, agriculture, and energy sectors when investment funds became tight. General Secretary Gorbachev will find it difficult to protect the basic industrial branches and transportation--and, by implication, their ability to meet plan targets--in the expected infighting over domestically produced investment goods and hard currency outlays for Western plant and equipment.

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This memorandum was prepared by the Industrial Analysis Branch, National Issues Group, Office of Soviet Analysis. Overall industrial branch growth rates were supplied by the Economic Implications Branch, Defense and Economic Issues Group, SOVA. Comments and questions are welcome and can be directed to Chief, Economic Performance Division,

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Introduction

The sectors of Soviet industry and transportation considered in this memorandum provide a key supporting framework for the rest of the economy. Basic materials such as steel, cement, and chemicals are critical to construction, machinery production, agriculture, and defense. Output of soft goods and processed foods is a major determinant of living standards. Freight transportation, of course, provides the intersectoral linkages of raw materials and finished products. This memorandum examines the 1985 performance of the ferrous metals, nonferrous metals, chemicals, construction materials, wood products, soft goods, and processed foods branches of industry and freight transportation, assesses the factors behind last year's results, and discusses the targets for 1986-90.

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Overview

All the industrial sectors we examined enjoyed continuing recovery in 1985 from the growth slowdown of the late 1970s and early 1980s (see table 1). The growth of output of ferrous and nonferrous metals, chemicals, soft goods, and processed foods either matched or exceeded 1984 levels. Last year's performance was all the more remarkable because most industries were severely affected by unusually harsh winter weather in the first quarter that delayed deliveries of raw materials and finished products and caused numerous equipment breakdowns. A rebound in rail transport after the first quarter undoubtedly was a key factor behind the improved production results. In addition, through a combination of increased discipline, major administrative

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Table 1

USSR: Growth of Selected Sectors
of Industry and Transportation^a

(average annual, percent)

	<u>1971-75</u>	<u>1976-80</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^b</u>	<u>1981-85^b</u>
Ferrous metals	3.9	0.8	-0.3	0	2.6	0.9	0.9	0.8
Nonferrous metals	5.7	1.5	0.3	0.8	3.0	3.0	3.0	2.0
Chemicals	8.4	3.6	4.0	2.1	6.9	3.5	4.3	4.1
Construction materials	5.1	0.6	1.3	0.1	2.0	1.3	1.6	1.3
Wood products	2.3	-0.7	1.9	0.5	2.9	2.7	2.2	2.1
Soft goods	2.6	2.4	1.8	-0.5	1.2	2.8	3.0	1.7
Processed foods	4.2	1.4	2.2	2.8	2.9	1.3	3.0	2.4
Freight transportation ^c	6.6	4.3	3.4	1.3	5.0	3.1	1.6	2.9

^a Official Soviet measures of aggregate growth are believed to contain an upward bias because of increased double counting over time and disguised inflation. While accepting official Soviet data for physical output of various commodities, the aggregate measures shown for each industrial branch were derived synthetically by CIA. The growth rates are formed by combining the value of a sample of products for each branch, with interbranch purchases excluded, using 1982 value-added weights.

^b Preliminary.

^c Growth rates calculated from ton-kilometer data.

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changes, and introduction of new capacities, the Soviets managed to turn a year that started as a disaster into one with respectable performance. Rates of growth in the second half of 1985 (over the corresponding period in 1984) were 50-100 percent above those shown in table 1. [REDACTED]

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So far the prospects for industrial growth in 1986 look good. Industries will not have to contend with the effects of severe winter weather--so far this year temperatures have been near or above normal throughout most of the country. Moreover, increasing modernization and reconstruction of industrial facilities--much of which had already been in train before Gorbachev came to power--should provide a solid base for even better industrial performance in 1986. Transportation plans on the whole appear within reach and adequate for this year's goals for industry. [REDACTED]

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Based on the performance of recent years, the growth targets for 1986-90 seem within reach. The relatively modest goals are consistent with the material conservation aspects of Gorbachev's modernization strategy. Progress in meeting his emphasis on renovation rather than new plant construction and the more efficient use of material inputs in general should provide the basic industries with the breathing room needed to improve the quality of their own production. Alternatively, renewed shortfalls in supply of key materials could develop should the conservation effort become unglued. Gorbachev will find it difficult to protect the basic industrial branches and transportation--and, by implication, their ability to meet plan targets--in the expected infighting over

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domestically produced investment goods and hard currency outlays for Western plant and equipment. [REDACTED]

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Although an "intensive" development strategy has been promoted for more than a decade, the Soviets have failed to implement similar programs and investment policies--notably during the 11th Five-Year Plan (1981-85). However, Gorbachev's aggressive approach is likely to capture the attention of management, if only through its punitive measures. Nonetheless, a perverse incentive system--responsible for the failure of similar programs in the past--is still largely in place. Furthermore, all basic industries and transportation face tough competition for investment from such priority sectors as machine building, energy, and agriculture. Thus, although we expect performance in 1986 to be better, it remains questionable whether this improvement can be sustained for the balance of the 12th Five-Year Plan period.¹ [REDACTED]

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Ferrous metals

Output of the ferrous metals industry grew by only 0.9 percent in 1985--matching the lackluster performance of 1984.² Crude steel production stagnated at 155 million tons and rolled steel output increased slightly to 108 million tons (see table 2). The industry spent much of 1985 trying to recover from harsh winter conditions

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² Official Soviet measures of aggregate growth are believed to contain an upward bias because of increased double counting over time and disguised inflation. While accepting official Soviet data for physical output of various commodities, the aggregate measures shown for each industrial branch were derived synthetically by CIA. The growth rates are formed by combining the value of a sample of products for each branch, with interbranch purchases excluded, using 1982 value-added weights. [REDACTED]

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Table 2

USSR: Ferrous Metals Production

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^a</u>	<u>1981-85^b</u>	<u>1986 Plan</u>	<u>1990 Plan^b</u>
Crude steel								
(million tons)	148.4	147.2	152.5	154.2	155	-	NA	NA
(annual growth, percent)	0.3	-0.9	3.6	1.1	0.2	0.9		
Rolled steel products								
(million tons)	103.0	102.3	106.4	107.3	108	-	111.1	116-119
(annual growth, percent)	0.1	-0.6	4.0	0.8	0.7	1.0	2.9	1.4-2.0
Steel pipe								
(million tons)	18.3	17.9	18.7	18.9	19.3	-	19.8	NA
(annual growth, percent)	0.5	-1.8	4.4	0.8	2.1	1.2	2.6	
Iron ore								
(million tons)	242.4	244.4	245.2	247.1	248	-	NA	NA
(annual growth, percent)	-0.9	0.8	0.3	0.8	0.2	0.3		
Manganese ore								
(million tons)	9.15	9.82	9.88	10.09	NA	-	NA	NA
(annual growth, percent)	-6.2	7.3	0.6	2.2		NA		

^a The apparent discrepancy between volume and growth indicators for 1985 is a result of Soviet reporting practices. Production volumes shown are those reported by the Central Statistical Administration. Because the reported volumes and growth rates embody different degrees of rounding by the Soviets, however, we have selected the indicator--either volume or reported growth--that yields the most precise measure of the actual percentage increase achieved in 1985.

^b Growth rates shown are annual averages for 1981-85 and 1986-90.

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[redacted]

that paralyzed activity at some plants early in the year. The weather caused problems with the supply of coking coal, natural gas, oil, and electricity as well as railway transportation bottlenecks. In the first quarter, the railroads failed to transport about 8 million tons of various raw materials for steel production. Although many resource-supplying industries recovered by April, the railroads continued to cause disruptions in deliveries of key materials for the steel industry through mid-year. Although the industry's performance improved later in the year, 1985 output targets were not reached. [redacted]

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Throughout the 1980s, the industry has failed to supply enough pipe to the oil and gas industries, stainless steel to the chemical industry, and sheet steel to machine-building industries. The industry was plagued with construction delays and deterioration of uninstalled equipment. For example, the Staryy Oskol Electrometallurgical Complex, which is being built with West German equipment and technology, probably will not be completed until 1988--nine years later than originally planned. Work has continued on the Rybnitsa minimill in Moldavia--being built by the Soviets and East Germans--but operational problems were reported at facilities already completed.³ Targets were not met for increased use of continuous casting and electric furnaces--technologies that result in higher quality products.

³ A minimill is a relatively small steel plant that contains electric furnaces and continuous casting and rolling equipment. Because the raw material for steelmaking in a minimill is normally scrap, these facilities do not have the coke ovens or blast furnaces used to make pig iron at a fully integrated steel plant. The annual production of a minimill is usually between 50,000 and 500,000 tons of a limited variety of rolled steel products. [redacted]

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Gorbachev has blamed these deficiencies largely on an investment policy that emphasized new construction instead of "technical reequipment," and he replaced the Minister of Ferrous Metallurgy in July. [REDACTED]

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Nonetheless, the Soviets have had some success in renovating their steel industry in recent years. The share of steel produced in inefficient open-hearth furnaces has decreased about 10 percent since 1980, largely because of greater use of basic oxygen furnaces. More quality steel sheet is becoming available from the new rolling mill at Novolipetsk that uses West German and Japanese equipment. The minimill at Zhlobin, built by Italian and Austrian firms, is now providing high-quality construction steel to Belorussia. These newer steel facilities, moreover, incorporate a high degree of automation. [REDACTED]

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In order to help make the ferrous metals industry more responsive to the needs of the economy, a long-term development program was adopted by the Central Committee and the Council of Ministers in early 1985 that includes:

- o Adding new iron ore mining capacity.
- o Reconstructing older steel plants.
- o Replacing old coke plants.
- o Replacing open-hearth furnaces with basic oxygen or electric furnaces.
- o More than doubling the share of steel continuously cast by 1990.
- o Expanding the range of steel products manufactured.

Soviet officials have indicated that Western firms would be involved in the renovation effort--including modernization of the Zaporozh'ye

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and Dneprodzerzhinsk steel plants--and negotiations have already begun for some projects. []

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There are no real surprises in the draft 12th Five-Year Plan (1986-90) for the ferrous metals industry. Production of rolled steel is to increase roughly twice as fast as actual production did during 1981-85. Most significantly, the new plan calls for increasing production of those steel products needed by machine-building enterprises and by the oil and gas industries. Gains in output are to be achieved through increased labor productivity--a theme echoed for all industrial branches--and through reconstruction of existing plants with an emphasis on replacing outdated technology. []

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Despite the emphasis on reconstruction, some new capacity will be added during the 12th Five-Year Plan period. In addition to the beleaguered complex at Staryy Oskol, new facilities include:

- o Volzhskiy Pipe Plant. Italmimpianti of Italy will provide an electric steel shop, continuous casting equipment, and a plant for the annual production of 750,000 tons of seamless pipe for the oil and gas industries.
- o Orlovskiy Plant. Negotiations are underway with Western firms for facilities to produce stainless steel sheet.
- o Zhlobin Plant. Voest-Alpine of Austria and Danieli of Italy will modify the existing electric furnace shop and add continuous casting equipment and a rod mill for production of steel wire and cord for tires. []

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Whether the goals of the new program are met largely depends on how quickly renovation projects and new plants are completed and on the availability of Soviet-made metallurgical machinery. Although the Soviets will use Western equipment for some reconstruction projects, hard currency constraints will keep them from importing all the needed machinery. The new Minister of

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[redacted]

Ferrous Metallurgy, Serafim Kolpakov, reported that an agreement had been reached with all the machine-building ministries on a program for accelerated output of new machines and equipment, but the current incentive system seems unlikely to spur production of enough equipment. [redacted]

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Although the majority of the work outlined above will be accomplished later in the 12th Five-Year Plan period, we expect to see some improvement in steel quality and output mix this year. A new minimill at Komsomol'sk na Amure should begin supplying steel products to industries in the Soviet Far East early in 1986. The annual plan calls for an increase in output of about 3 percent for both rolled steel products and steel pipe. [redacted]

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Nonferrous Metals

Output of nonferrous metals grew 3 percent in 1985, matching the performance of 1983 and 1984. Although production figures for individual metals have not been released, the Soviet press reported overfulfillment of planned goals for the extraction of ores and for the production of concentrates, rare metals, semiconducting materials, rolled metal, and products made from carbon materials. [redacted] the open press suggest that output growth in 1985 was mainly due to additions of new capacity and modernization of several aluminum, copper, and nickel plants.⁴ [redacted]

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⁴ We believe that planned production increases for aluminum (15 to 20 percent), copper (20 to 25 percent), and nickel and cobalt (not less than 30 percent) for the 11th Five-Year Plan as a whole, however, were not met. Delays in completing new capacity earlier in the 1980s and problems assimilating technology embodied in imported plant and equipment appear to have been the primary causes. [redacted]

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[REDACTED]

Not surprisingly, the draft plan for 1986-90 does not provide production targets for specific metals. The focus of the new plan is broadly similar to that of the 1981-85 Plan and in line with Moscow's master plan for all of industry.

Modernization of aging production facilities will be a high priority--56 percent of capital investment for nonferrous metals will reportedly be channeled to the modernization and retooling of existing plants. Other measures include expansion of the raw materials base, more efficient use of energy, increasing the quantity and number of metals extracted from ores, and increasing scrap and waste recycling. Several projects to add new capacity are mentioned in the plan directives, but, overall, they do not seem to match the large capacity increases posted in the 1970s. The industry is slated to increase the output and variety of semifinished metal products (angles, rods, bars, for example) to meet rapidly increasing demand from the machine-building sector. [REDACTED]

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The open press [REDACTED] indicate that the nonferrous metals industry will rely heavily on Western technology to accomplish its goals during 1986-90. For example:

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- o Construction of the Sayansk aluminum plant, which began operation in November 1985, will continue. The plant incorporates advanced West German processing equipment.
- o Electrolysis anodes at many aluminum plants will be replaced by more efficient ones supplied from a French-built plant at Tursunzade in Central Asia.
- o The world's largest and most automated electrolytic zinc plant in West Siberia will be built by an Italian firm.

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[REDACTED]

If successful, the new plan could provide substantial benefits. The technology and equipment at most Soviet nonferrous metals plants is outdated and inefficient. Modernization could cut costs, reduce labor shortages, and help lower the relatively high level of energy consumption in the industry.⁵ Expanding the raw material base by exploiting new ore deposits could reduce imports of some raw materials--such as bauxite--and help offset the general decline in mined ore quality of many metals that has plagued the industry over the past several years. Articles in the Soviet press claim that metal recycling is at an early stage but could potentially provide at least 30 percent of the total production of aluminum, copper, zinc, lead, and other metals at a fraction of the cost of producing the metals from ore. [REDACTED]

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As in many other Soviet industries, assimilation of new technology in the industry will probably continue to be extremely slow, mainly because there is little incentive for plant managers to replace outmoded equipment for fear of interrupting production and failing to meet production quotas. Major new ore discoveries are possible, but new deposits probably could not be developed until the 1990s, because they are likely to be located in remote eastern regions of the country, where weather conditions are harsh and supporting infrastructure is generally lacking.⁶ Efforts to increase the use of scrap will probably not meet expectations because of a lack of processing facilities and an

⁵ In 1984 the nonferrous metals industry consumed more than 6 percent of the USSR's production of electricity. [REDACTED]

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⁶ The Soviets estimate that almost three-fourths of undiscovered reserves of major mineral resources are located in Siberia and the Far East. [REDACTED]

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incentive system that does not reward metal fabricators for collecting scrap. Finally, construction of new capacity is likely to continue to lag behind schedule because of continuing labor and material shortages. [REDACTED]

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Despite these shortcomings, we expect that the nonferrous metals branch will continue to be relatively successful compared to other industrial branches. The USSR earns hard currency from exports of several major metals, and the contribution of these export earnings will become more important as oil revenues are cut by falling production and prices. Moreover, Moscow has placed a high priority on maintaining a dependable domestic supply of nonferrous metals, many of which are critical for defense applications. [REDACTED]

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Chemicals

Output of the chemical industry increased 4.3 percent in 1985, an upswing from the 3.5-percent growth recorded in 1984. Last year marked the third consecutive year that chemicals outpaced the other industrial branches we examined (see table 3). [REDACTED]

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The industry got off to a bad start in 1985 because of the severe winter that disrupted transportation causing bottlenecks in deliveries of supplies and underutilization of plant and equipment and labor. At the same time, energy supplies for the chemical industry, particularly natural gas, were diverted to meet residential heating requirements. Although overall output improved during the rest of the year, shortages of railroad cars

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Table 3

USSR: Production of Selected Chemicals

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^a</u>	<u>1981 -85^b</u>	<u>1986 Plan</u>	<u>1990 Plan^b</u>
Mineral fertilizers								
(million tons of 100% ingredient)	26.00	26.74	29.73	30.81	33.2	-	NA	41-43
(annual growth, percent)	5.0	2.8	11.2	3.6	7.8	6.0		4.3-5.3
Pesticides								
(thousand tons of standard units)	504	533	557	577	595	-	NA	733-800
(annual growth, percent)	6.3	5.8	4.5	3.6	3.1	4.7		4.3-6.1
Caustic soda								
(million tons)	2.76	2.78	2.85	2.97	3.1	-	NA	NA
(annual growth, percent)	0.1	0.9	2.5	4.2	3.0	2.4		
Sulfuric acid								
(million tons)	24.10	23.80	24.71	25.34	26.0	-	NA	NA
(annual growth, percent)	4.6	-1.2	3.8	2.5	2.6	2.5		
Synthetic resins and plastics								
(million tons)	4.09	4.06	4.42	4.82	5.0	-	NA	6.8-7.1
(annual growth, percent)	12.4	-0.8	8.9	9.1	3.7	6.6		6.3-7.3
Chemical fibers								
(million tons)	1.21	1.24	1.35	1.40	1.4	-	NA	1.85
(annual growth, percent)	3.1	1.8	9.6	3.5	-0.5	3.5		5.7
Motor vehicle tires								
(million units)	60.5	61.7	62.0	63.7	65.2	-	NA	NA
(annual growth, percent)	0.7	2.0	0.5	2.7	2.4	1.6		
Synthetic detergents								
(million tons)	1.08	1.08	1.11	1.10	1.2	-	NA	NA
(annual growth, percent)	6.3	0	2.9	-1.0	5.0	3.5		

^a The apparent discrepancy between volume and growth indicators for 1985 is a result of Soviet reporting practices. Production volumes shown are those reported by the Central Statistical Administration. Because the reported volumes and growth rates embody different degrees of rounding by the Soviets, however, we have selected the indicator--either volume or reported growth--that yields the most precise measure of the actual percentage increase achieved in 1985.

^b Growth rates shown are annual averages for 1981-85 and 1986-90.

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and construction delays continued to cause shortfalls in the production of most chemical products. [REDACTED]

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Fertilizer output last year grew to 33.2 million tons of active ingredient. Four large-scale ammonia plants as well as facilities to produce nitrogen and phosphate fertilizers that started operation in early 1985 contributed to the nearly 8-percent increase and should also help boost fertilizer output this year. Nevertheless, chronic shortages of rail cars, inadequate supplies of sulfur, sulfuric acid, and ammonia as well as the poor quality of phosphate rock reaching fertilizer plants held output below plan. Shortages of feedstocks were a major factor contributing to a slowdown in growth of pesticide production from 1984. [REDACTED]

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In the synthetic materials sector, output of plastics and resins grew less than one-half the targeted rate. Disruptions in supplies of ethylene feedstock--stemming from below-plan refinery output--were a major factor in the shortfall.⁷ Shortages of caustic soda and petrochemical feedstocks also contributed to a 12-percent shortfall in planned output of chemical fibers. Lagging growth of tire output throughout the 11th Five-Year Plan period reflected apparent stagnation of synthetic rubber production. [REDACTED]

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Slow growth of sulfuric acid output was the result of shortages of sulfur raw material and operational problems at some plants. In

⁷ As a step toward improving performance in the petrochemical sector, the Minister of Petroleum Refining and Petrochemicals, whom Gorbachev criticized by name at the June Science and Technology Conference, was replaced in October by Nikolay Lemayev, an experienced and successful manager of a major petrochemical complex. [REDACTED]

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addition to hampering production of much-needed phosphate fertilizers, lagging production of sulfuric acid disrupted production in other sectors of the chemical industry. The increase in caustic soda output in 1985 represented a slowed rate of growth from the previous year. Shortages of caustic soda affected production in other sectors, especially artificial fiber and dye output, both key inputs to textile manufacturing. [REDACTED]

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Because the chemical industry is critical to fulfilling plans for boosting agricultural productivity, improving the quality and increasing the quantity of low-cost consumer goods, and creating new industrial and defense-related materials, last fall Moscow announced a broad program for the "chemicalization" of the economy up to the year 2000. The Soviets plan to improve the use of existing capacities; reconstruct and technically re-equip, automate, and mechanize production facilities; and increase the quality of output. The program calls for substitution of chemical fibers for natural fibers in technical applications. It also demands accelerated development of engineering plastics that can replace metal in machinery and construction; of small-tonnage specialty chemicals, some of which are now being imported; and of replacements for food products such as edible oils now used in the manufacture of paints. Priority will be given in the early stages of the program to increasing supplies of needed agrochemicals and to expanding output of products for consumers. [REDACTED]

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Hoping for a vigorous start in 1986, the Soviets have announced plans for reconstruction and the addition of new capacity to increase production of the whole range of chemical

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industry products. Moscow will try to raise the efficiency of the chemical industry by continuing to introduce advanced technology and equipment, increasing the use of automation and mechanization, and conserving energy. According to the Minister of Chemical Industry, by the end of 1985, three-fourths of chemical industry production came from factories equipped with automated control systems. Gains have also been made in energy conservation: secondary energy resources now provide more than 25 percent of all heat required at Soviet fertilizer plants.

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The goals of the draft plan for 1986-90 are generally similar to actual performance in 1981-85. In support of Gorbachev's plan to upgrade the domestic machine-building sector, the plan calls for a 30- to 50-percent increase in the output of prefabricated chemical and petrochemical equipment with increased capacities. Rates of growth of output for the key agricultural chemicals and synthetic resins and plastics do not suggest that any major change in the structure of current chemical output is planned. Adjustments may be required later, however, if planners' assurances of enough light petroleum products for all comers proves to be overly optimistic. No targets were provided for two industrial chemicals, sulfuric acid and caustic soda. Planned growth of chemical fibers production--a key input to the Consumer Goods and Services Program--appears optimistic in light of actual performance in the last five years.

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In addition to emphasizing increases in the production of domestic chemical equipment, the Soviets are planning to import

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more chemical equipment and technology from the West. Western firms have received inquiries for new projects totalling about \$3 billion. We believe turnkey contracts for a polyolefin plant at Budennovsk and a synthetic fibers complex near Ufa will be signed soon. Moreover, some existing plants will be modernized with Western assistance. East European countries are also scheduled to boost their exports of chemical equipment to the USSR. In 1986-90, East Germany, for example, is to provide chemical equipment valued at more than twice the level delivered in 1981-85. Czechoslovakia and Hungary also are slated to increase exports of chemical equipment to the Soviet Union. [REDACTED]

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Construction Materials

Output of construction materials grew 1.6 percent last year, only marginally better than the 1.3-percent growth recorded in 1984. Cement production increased less than 1 percent to 131 million tons, and output of precast ferroconcrete grew 2 percent to 135 million tons (see table 4). The industry was severely affected by the abnormally cold weather last winter. Production of precast concrete was so abysmal that output data were withheld for three months early in the year. Shortages of construction materials throughout the economy were nearly as widespread as those of 1982, a particularly bad year for the industry. [REDACTED]

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The change in the Soviet leadership resulted in a renewed stream of criticism leveled at the industry during the first half of the year. In July, Gorbachev sacked the Minister of the Construction Materials Industry and replaced him with Sergey Voyenushkin, an established innovator. [REDACTED]

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Table 4

USSR: Construction Materials Production

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^a</u>	<u>1981 -85^b</u>	<u>1986 Plan</u>	<u>1990 Plan^b</u>
Cement								
(million tons)	127.17	123.68	128.16	129.87	131	-	134.7	140-142
(annual growth, percent)	1.7	-2.7	3.6	1.3	0.7	0.9	2.8	1.3-1.6
Precast ferroconcrete								
(million m ³)	124.48	123.57	128.28	132.42	135	-	NA	NA
(annual growth, percent)	1.8	-0.8	3.9	3.2	1.9	2.0		
Wall materials								
(billion conventional bricks)	58.26	58.09	59.55	59.21	NA	-	NA	NA
(annual growth, percent)	0.4	-0.3	2.5	-0.6		NA		
Roofing materials								
(billion m ²) ^c	1.71	1.70	1.84	1.88	NA	-	NA	NA
(annual growth, percent)	-0.8	-0.4	7.9	2.4		NA		
Window glass								
(million m ²)	245	243	247	247	NA	-	NA	NA
(annual growth, percent)	0	-0.8	1.6	0		NA		

^a The apparent discrepancy between volume and growth indicators for 1985 is a result of Soviet reporting practices. Production volumes shown are those reported by the Central Statistical Administration. Because the reported volumes and growth rates embody different degrees of rounding by the Soviets, however, we have selected the indicator--either volume or reported growth--that yields the most precise measure of the actual percentage increase achieved in 1985.

^b Growth rates shown are annual averages for 1981-85 and 1986-90.

^c Including pliable roofing materials and waterproofing.

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Renovation of capacities for the production of cement, precast concrete, and brick did little to alleviate the industry's problems in 1985, but set the stage for future growth. The Soviet press reported that, in addition to renovating production equipment, improvements in automation were introduced at several cement, ceramics, glass, asbestos, and wall material facilities late in the year. These steps, together with better weather, should allow greater output, higher labor productivity, improved quality, and reduced energy consumption in 1986. Progress is also being made in increased use of secondary materials and waste products such as slag, ash, secondary textile materials, and broken glass.

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By 1990, cement output is scheduled to rise to 140-142 million tons--identical to the original goal for 1985 output in the 11th Five-Year Plan. The new target appears realistic in light of the completion of the Rybnitsa cement plant scheduled for 1986 and plans for the renovation of a number of other cement plants throughout the country.

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The plan calls for increased automation and mechanization, especially in the labor-intensive operations of materials handling and storage. Although the Soviets are counting on labor productivity gains of 3.2-3.6 percent annually in 1986-90 to boost output of construction materials, we believe their targets are out of reach--labor productivity grew only 1 percent per year in 1981-85.

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The Soviets also plan to continue materials conservation in the industry by expanding output of more efficient structural

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materials such as bent, molded, and precision rolled metal products, plastics, and other nonmetallic materials. As in other industries, Moscow is stressing wider use of secondary raw materials and wastes. Increased use of foreign technology to modernize the industry is also on the agenda. The Soviets are expected shortly to sign contracts for West German participation in the construction of new refractory facilities, and Gorbachev has indicated that he favors renovation of the cement industry by foreign--possibly US--firms. [REDACTED]

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Wood Products (Timber, pulp and paper, and wood processing)

Output growth in the wood products sector was 2.2 percent in 1985, a falloff from 1984. Commercial timber production fell nearly 1 percent last year to 277 million cubic meters (see table 5). The deterioration was largely attributable to the especially cold and protracted winter that slowed felling operations, delayed deliveries, and caused equipment breakdowns. With 90 percent of the USSR's timber harvested in remote northern and eastern parts of the country, felling and transport are extremely difficult even under average weather conditions. [REDACTED]

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The outlook for better performance this year is good. The Baikal-Amur Mainline (BAM) railroad has provided access to virgin Siberian forests as well as improved the transport of timber and processed wood. The opening of the BAM area allowed the Soviets to begin construction of 20 new logging facilities in 1985--twice as many as in 1984--and capacity for processing more than 3.5 million cubic meters came on stream. [REDACTED]

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Table 5

USSR: Wood Products Production

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^a</u>	<u>1981 -85^b</u>	<u>1986 Plan</u>	<u>1990 Plan^b</u>
Commercial timber ^c (million trimmed m ³)	274	270	271	280	277	-	NA	NA
(annual growth, percent)	-0.3	-2.0	1.0	3.0	-0.8	0.3		
Paper (million tons)	5.40	5.44	5.67	5.86	6.0	-	NA	6.7-6.9
(annual growth, percent)	2.1	0.7	4.2	3.4	2.4	2.6		2.1-2.8
Newsprint (billion m ²)	30.1	30.7	31.6	32.1	33.3	-	NA	NA
(annual growth, percent)	0.3	2.0	2.9	1.6	3.7	2.1		
Pulp (million tons)	7.32	7.44	7.91	8.15	NA	-	NA	NA
(annual growth, percent)	2.8	1.7	6.3	3.0		NA		2.8-3.4
Cardboard (million tons)	3.56	3.54	3.89	3.96	NA	-	NA	NA
(annual growth, percent)	3.2	-0.5	9.9	2.0		NA		5.4
Furniture (billion rubles)	6.4	6.7	7.1	7.5	7.9	-	NA	8.4
(annual growth, percent)	5.0	5.0	6.0	5.0	6.0	5.3		5.9-6.2

^a The apparent discrepancy between volume and growth indicators for 1985 is a result of Soviet reporting practices. Production volumes shown are those reported by the Central Statistical Administration. Because the reported volumes and growth rates embody different degrees of rounding by the Soviets, however, we have selected the indicator--either volume or reported growth--that yields the most precise measure of the actual percentage increase achieved in 1985.

^b Growth rates shown are annual averages for 1981-85 and 1986-90.

^c Excluding procurement by collective farms.

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Paper production was below plan at 6 million tons in 1985. Weather-related transport bottlenecks delayed deliveries of both raw materials and finished products. Nevertheless, the outlook is fairly bright as the Soviets have been emphasizing modernization of the industry with foreign equipment and technology. During 1985 alone, over \$1 billion was spent on Western-supplied construction and equipment for the Vyborg, Syktyvkar, and Svetogorsk pulp and paper facilities, all of which should be completed in the next three years.

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Moscow has also taken steps to reduce paper weight, expand the utilization of waste materials, and increase the use of available hardwood species:

- o During 1981-84, technology to reduce the weight of individual paper sheets was introduced, saving an estimated 4 million cubic meters of wood. We expect progress to continue as the Soviets expand the use of such equipment to a total of 70 pulp and paper enterprises.
- o The current Soviet campaign to use resources more effectively is succeeding. In 1985, the use of wood chips, sawdust, and other timber substitutes grew 14.5 percent over 1984. In the last two years, equipment for waste paper processing at 10 plants has been modernized. The introduction of additional waste paper processing capacity at 17 enterprises is planned between now and 1990.
- o The proportion of hardwood used in pulp and papermaking reached more than one-third in 1985, compared with 28 percent in 1980. Because supplies of softwood are limited, expansion of hardwood use augurs well for increased output of certain paper products.

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The goals for pulp, paper, and cardboard production in 1986-90 are quite conservative compared to actual results in the first half of the decade. Given contracts already signed with foreign firms for expansion and renovation of three facilities, and those now being negotiated for the construction of the Aldan and Arda

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plants, the targets should be attainable. Apparently as part of the effort to boost consumer welfare, the Soviets plan expanded output of paper for packaging and wall coverings. [REDACTED]

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Soft Goods

Output of soft goods--the Soviets term this industrial branch "light industry"--grew 3.0 percent in 1985, its best annual performance during the 11th Five-Year Plan period. Compared with 1984, production of sewn goods, one of the largest sectors of the industry, grew at 4.0 percent, also its best showing in 1981-85. Textile, knitwear, and leather footwear production each rose about 3 percent in 1985 (see table 6). [REDACTED]

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Although this industry also was affected by production and transportation bottlenecks caused by severe weather during the first quarter of the year and shortages of key raw materials, the disruptions were not as severe as in the other industrial sectors we examined. A number of factors were responsible for light industry's improvement last year over its dismal performance earlier in the 1980s. The branch traditionally has had low priority in resource allocation, and, in a period of poor economic performance, it is one of the first to suffer from shortages and bottlenecks. With the upswing in the economy beginning in 1983, light industry benefited from better production and delivery of supplies. [REDACTED]

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Improved labor discipline, modernization of some decrepit textile factories, and the construction of several new footwear factories also played a role. Under Gorbachev, the Minister of

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Table 6

USSR: Soft Goods Production

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985^a</u>	<u>1981 -85^b</u>	<u>1986 Plan</u>	<u>1990 Plan^b</u>
Textiles								
(billion m ²)	10.95	11.08	11.36	11.76	12.1	-	NA	14-15
(annual growth, percent)	1.9	1.2	2.5	3.6	2.5	2.4		3.0-4.4
Knitwear								
(billion articles)	1.65	1.61	1.64	1.68	1.7	-	NA	2.2-2.3
(annual growth, percent)	1.5	-2.1	2.0	2.2	3.0	0.9		5.3-6.2
Sewn goods^c								
(billion 1982 rubles)	24.3	24.2	24.2	25.1	26.1	-	NA	NA
(annual growth, percent)	3.4	-0.4	0	3.7	4.0	2.1		
Leather footwear								
(billion pairs)	738	734	745	764	787	-	NA	900
(annual growth, percent)	-0.7	-0.5	1.5	2.6	3.0	1.2		2.7

^a The apparent discrepancy between volume and growth indicators for 1985 is a result of Soviet reporting practices. Production volumes shown are those reported by the Central Statistical Administration. Because the reported volumes and growth rates embody different degrees of rounding by the Soviets, however, we have selected the indicator--either volume or reported growth--that yields the most precise measure of the actual percentage increase achieved in 1985.

^b Growth rates shown are annual averages for 1981-85 and 1986-90.

^c Because sewn goods output is measured in rubles, Soviet pricing practices that provide for disguised inflation tend to exaggerate output.

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Light Industry was replaced by Vladimir Klyuyev, an energetic modernizer. In Uzbekistan, the source of two-thirds of Soviet cotton, the subordination of the republic Ministry of the Ginning Industry to the republic Ministry of Agriculture in late 1984 succeeded in improving ginning rates and compensating for an unsatisfactory cotton crop. Despite a reorganization of both republic and all-Union agricultural ministries in 1985, the major success indicator remains the output of ginned cotton fiber rather than simply seed cotton. Increased slaughtering of cattle in 1984 provided more hides for footwear production last year.

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Moscow has initiated a Program for Consumer Goods and Services designed in part to accelerate growth rates for soft goods production. So far, however, plans for light industry do not indicate any major new investment to provide for higher growth rates. Longer range plans to open new soft goods plants in Central Asia to take advantage of the labor pool there will require several years to materialize. Gorbachev seems to be relying on greater efficiency and improved supplies of raw materials to boost growth in light industry. The "chemicalization" program is to improve the supply of synthetic fibers to textile manufacturers.

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These factors may enable the industry to sustain the respectable growth rates of the last two years. But without major new investment, the growth rates called for are unrealistic. Only the footwear sector, which has the lowest planned growth rate and is to receive a number of new footwear

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[redacted]

and leather-processing factories, is in a position to meet its target in the new plan. [redacted]

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Processed Foods

The overall performance of the food-processing industry in 1985 was generally good. Total output rose 3.0 percent, a substantial improvement over 1984 results when growth was only 1.3 percent. Output of milk and fish products did particularly well; growth rates for processed meat and sausage continued to slow after an exceptionally good year in 1983. The trouble spots of the industry remain vegetable oil and margarine. Vegetable oil results were so unsatisfactory that the Soviets withheld production figures for several months; output for the year as a whole fell 7 percent (see table 7). [redacted]

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The industry has continued to benefit from the measures enacted under the Food Program begun in 1982 that expanded agricultural output. The Soviets have been steadily increasing their imports of food processing equipment both from CEMA countries and the West, especially for canning and milk products, and the investment has begun to pay off. This has been aided by increased state procurement of agricultural raw materials. As a result, the output of processed meat and milk products last year exceeded the 1985 goals. [redacted]

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The attention devoted to the production of non-alcoholic drinks as part of the anti-alcohol campaign has succeeded in boosting the output of that sector by 7.3 percent last year. The Soviet Union's energetic pursuit of fishing agreements throughout

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Table 7

USSR: Processed Foods Production								
	1981	1982	1983	1984	1985	1981-85 ^b	1986 Plan	1990 Plan ^e
Meat^a								
(million tons)	9.28	9.27	10.11	10.66	10.8	-	NA	11.7-12.2
(annual growth, percent)	1.6	-0.2	9.0	5.4	1.3	3.4		1.6-2.5
Sausage								
(million tons)	3.06	3.08	3.19	3.30	3.4	-	NA	NA
(annual growth, percent)	-0.6	0.7	3.7	3.3	3.0	2.0		
Fish^b								
(billion 1982 rubles)	6.1	6.4	6.7	7.0	7.3	-	NA	NA
(annual growth, percent)	1.7	4.9	4.7	4.5	4.3	4.0		
Animal fats/oils^c								
(million tons)	1.21	1.29	1.46	1.50	1.5	-	NA	1.5-1.7
(annual growth, percent)	-5.3	6.6	12.8	2.9	0	3.3		0-2.5
Whole milk products								
(million tons)	25.7	26.4	27.8	28.6	29.8	-	NA	31-32
(annual growth, percent)	0.8	2.7	5.3	2.9	4.2	3.2		0.8-1.4
Margarine								
(million tons)	1.36	1.43	1.48	1.43	1.4	-	NA	NA
(annual growth, percent)	7.8	5.2	3.6	-3.4	-2.1	2.1		
Vegetable oil								
(million tons)	2.61	2.63	2.78	2.68	2.5	-	NA	3.7-4.0
(annual growth, percent)	-1.7	0.9	5.8	-3.8	-6.7	-1.2		8.2-9.9
Granulated sugar								
(million tons)	9.5	12.1	12.4	12.5	11.8	-	NA	NA
(annual growth, percent)	-5.9	27.4	2.5	0.8	-5.6	3.2		
Confectionary goods^d								
(million tons)	3.95	4.02	4.10	4.15	4.3	-	NA	NA
(annual growth, percent)	2.3	1.7	1.9	1.4	3.6	2.2		
Canned fruits & vegetables								
(billion standard cans)	10.62	11.50	11.82	11.82	12.4	-	NA	16-18
(annual growth, percent)	4.6	8.3	2.7	0.1	3.3	4.1		5.2-7.7
Nonalcoholic drinks								
(million decaliters)	375	348	357	357	383	-	NA	NA
(annual growth, percent)	6.8	-7.2	2.6	0	7.3	1.8		

^a Industrially processed meat. The 1990 target reflects meat from state resources only.

^b Including canned fish.

^c Excluding production from private sources.

^d Excluding production in public catering facilities.

^e Growth rates shown are annual averages for 1981-85 and 1986-90.

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the world has bolstered the fish catch and benefited the fish processing sector. [REDACTED]

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Under the 12th Five-Year Plan, total output of the food-processing industry is to grow at an average annual rate of roughly 3 percent. Output goals for 1990 for individual food products are modest compared to actual performance in 1981-85 with the exception of those for vegetable oil and canned fruits and vegetables. Except in the case of vegetable oil, agricultural production is not the major constraint to the industry. Former Soviet leader Brezhnev remarked in 1982, for example, that "more and more we encounter a situation in which the bottleneck is created not by agricultural production, but by processing and storage of products." [REDACTED]

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Despite the progress made in recent years, the food-processing industry had been so neglected in the past that it still lacks adequate capacity to process in a timely fashion all the raw material it receives. More losses occur because the transportation system often fails to deliver agricultural raw materials or delivers them in spoiled condition. Fruit and vegetable processing is particularly hampered by irregular deliveries of raw material. The poor record of vegetable oil production over the past several years is largely because of the failure to follow correct crop rotation in growing both sunflowers and cotton. Prospects for substantial improvement in the near-term are not good. [REDACTED]

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Even assuming continued imports of needed canning equipment, Moscow will also have a hard time boosting output of canned

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fruits and vegetables 5.2-7.7 percent annually in 1986-90 unless the transportation system is improved and substantial growth in the harvests occurs. The planned halt of production of fruit and berry wines by 1988, however, should provide additional raw material for canning enterprises.

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Freight Transportation

The railroad recovery was the top story for Soviet transportation for 1985 and for the 11th Five-Year Plan as a whole. Since Brezhnev's death in 1982, the new Soviet leadership has been surprisingly effective in pressuring the railroads to resolve chronic disruptions in service, which, since 1975, have been a drag on industrial growth. Rail Minister Nikolay Konarev, an Andropov appointee, promoted change through an aggressive discipline campaign, wage incentives, and a revamping of performance indicators. Using these tools, he has influenced the rail systems to get more tonnage on crowded lines, most importantly by pushing the railroads to run heavier trains.

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Nonetheless, overall freight traffic (measured in ton-kilometers) grew by only 1.6 percent in 1985, down from 3.1 percent in 1984 (see table 8). Although below plan, the results embodied a respectable recovery over the 1-percent decline recorded for the first six months of the year, caused largely by the unusually severe winter weather that stymied rail and water carriers. In addition, the decline in oil production pulled down shipments via pipeline. Water carriers, which are very sensitive to weather-related cutbacks in their shipping seasons, were unable to make up completely their first-half losses. The

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Table 8

USSR: Freight Transportation Turnover

(billion ton-kilometers)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986 Plan</u>	<u>1990 Plan</u>
Total	6,699.5	6,785.7	7,126.7	7,345.0	7,463	7,724	NA
Rail	3,503.2	3,464.5	3,600.1	3,638.8	3,719	NA	NA
Maritime	853.5	834.5	891.7	933.0	893	NA	NA
River	255.6	262.4	273.2	264.3	262	NA	NA
Highway ^b	140	143	142	138	142	NA	NA
Air	3.1	3.0	3.2	3.3	3 ^a	NA	NA
Oil pipelines	1,263.2	1,306.8	1,353.1	1,370.3	1,313	NA	NA
Gas pipelines	680.9	771.5	863.4	997.3	1,131	NA	NA

(annual growth, percent)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1981 -85^c</u>	<u>1986 Plan</u>	<u>1990 Plan</u>
Total	3.4	1.3	5.0	3.1	1.6	2.9	3.5	NA
Rail	1.8	-1.1	3.9	1.1	2.2	1.6	NA	NA
Maritime	0.6	-2.2	6.9	4.6	-6.8	1.0	NA	NA
River	4.4	2.7	4.1	-3.0	-0.4	1.3	NA	NA
Highway ^b	6.9	2.1	-0.7	-2.8	2.9	1.6	NA	NA
Air	-0.3	-1.6	5.3	3.1	NA	NA	NA	NA
Oil pipelines	3.9	3.5	3.5	1.2	-4.2	1.5	NA	NA
Gas pipelines	14.1	13.3	11.9	15.5	13.4	13.6	NA	NA

^a Estimated.^b Excluding the non-common carrier highway fleet.^c Annual average.

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railroads, on the other hand, posted a strong and surprising recovery, turning a 2-percent decline during the first six months into a 2-percent increase for the year as a whole. Highway carriers appear to have overcome some of the problems of 1983-84, posting positive growth in 1985. []

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The bad winter of 1985 was the first challenge since 1982 to the effectiveness and endurance of Konarev's measures to improve railroad performance. The additional capacity squeezed out of the rail system over the last three years allowed the railroads for the first time to expedite backlogged shipments during the last half of the year, spurring both their own recovery and that of their customers in the industrial materials branches. Konarev--apparently an able bureaucrat--also reshaped his Andropov-type discipline campaign to meet Gorbachev's "anti-corruption" theme for 1985, using a land ownership scandal to further clean house within the ministry. []

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We foresee few major problems cropping up for Soviet transportation in 1986. Moscow plans to increase overall freight traffic by 3.5 percent--roughly comparable to the growth targets for 1984 and 1985. Shipment targets for individual carriers appear to be achievable (see table 9).⁸ Moscow also is calling for a 2.7-percent increase in highway shipments this year, which suggests that performance declines since 1982 may have bottomed out in 1985. Finally, reduced rates of growth for West Siberian oil and gas output suggest that growth of both shipments and

⁸ Beginning in 1986 the official Soviet planning targets for freight transportation have been changed from traffic or turnover (measured in ton-kilometers) to shipments or tons originated (measured in tons). []

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Table 9

USSR: Freight Transportation Shipments

(million tons)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986 Plan</u>	<u>1990 Plan</u>
Total ^a	NA	NA	NA	NA	NA	NA	NA
Rail	3,762	3,725	3,851	3,910	3,958	4,033	4,275-4,354
Maritime	223	224	238	235	NA	NA	NA
River	594	604	607	619	632	636	689-702
Highway	6,651	6,739	6,612	6,357	6,319	6,490	7,456-7,520
Air	NA	NA	NA	NA	NA	NA	NA
Oil pipelines	634	641	649	648	631	NA	NA
Gas pipelines	NA	NA	NA	NA	NA	NA	NA

(annual growth, percent)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1981 -85^b</u>	<u>1986 Plan</u>	<u>1990 Plan</u>
Total ^a	NA	NA	NA	NA	NA	NA	NA	NA
Rail	0.9	-1.0	3.4	1.5	1.2	1.2	1.9	1.6-1.9
Maritime	-2.2	0.4	6.2	-1.3	NA	NA	NA	NA
River	4.6	1.7	0.5	2.0	2.1	2.2	0.6	1.7-2.1
Highway	3.0	1.3	-1.9	-3.9	-0.6	-0.4	2.7	3.4-3.5
Air	NA	NA	NA	NA	NA	NA	NA	NA
Oil pipelines	1.2	1.1	1.2	-0.2	-2.6	0.1	NA	NA
Gas pipelines	NA	NA	NA	NA	NA	NA	NA	NA

^a Because of multiple counting (shipments moved on more than one carrier), no total is calculated.

^b Annual average.

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traffic by pipeline will be slower this year. []

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The transport plan for 1986 largely reflects the pace that Moscow has set for 1986-90 as a whole. The target growth rate for the railroads appears more than ample to service the relatively low rates of growth planned for its main customers in the industrial materials industries--coal, oil, metals, and construction materials. To meet these goals, Moscow will again count on boosting tonnages on existing lines by stepping up the rate of electrification and the use of larger and more specialized rolling stock. []

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The targeted growth rate for highway transport appears high relative to its poor record so far in the 1980s. Highway performance has declined in recent years, making the 3-percent plus growth per year in shipments appear unrealistic. The emphasis in the plan on expansion of the diesel truck fleet and on energy savings suggests that both the availability of gasoline and of vehicles that can use diesel fuel may have constrained growth of highway trucking in the past.⁹ Planned growth of river shipments also seems high unless an increase in investment is forthcoming. We believe that expansion of river shipping is limited by capacity and technology. []

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⁹ On the other hand, the higher growth rates through 1990 may simply reflect a gradual expansion of reporting coverage rather than improved performance. The Soviets have been trying to move more trucks under central rather than ministerial control. If implemented, this policy will administratively shift some trucking to the common carrier system, artificially raising its growth rate. []

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 - 65 - Byron L. Jackson, Director, Office of Intelligence Liaison, Department of Commerce (6854 Main Commerce)
 - 66 - Barry Kostinsky, Chief, Soviet Economic Studies Branch, Center for International Research, Bureau of the Census, Department of Commerce (707 Scuderi Bldg)
 - 67 - Susanne Lotarski, Director, Office of Eastern Europe and Soviet Affairs, Department of Commerce (3410 Main Commerce)
 - 68 - Ralph Thompson, Director, Iron and Steel Division, Department of Commerce (4045 Main Commerce)
 - 69 - Douglas R. Mulholland, Special Assistant to the Secretary (National Security), Department of the Treasury (4324 Main Treasury)
 - 70 - Rich Levine, Europe and USSR Branch, Division of Foreign Data, US Bureau of Mines, Department of the Interior
 - 71 - Keith Severin, Foreign Agricultural Service, Department of Agriculture (6042 South Bldg)

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